



# 2011 Biennium Goals and Objectives

Prepared for 17-7-111, MCA

## Mission Statement

The Department of Revenue implements Montana's tax laws to achieve equity and integrity, while protecting taxpayer rights and information; values all property as accurately as possible and supervises Montana's property tax system; administers liquor laws to protect public health and safety; informs and advises the Governor, Legislature and the public on tax trends and issues; and cooperates with local, state, tribal and federal governments to advance the public interest under the law.

### **Goal 1. Continue to provide citizens, businesses, and nonresidents with quality value-added services, and continuously improve taxpayer assistance and customer services by developing new outreach programs and improving electronic assistance services.**

Objective 1. Provide taxpayers and business owners with, among other things, an understanding of Montana's tax laws and regulations, answers to complex tax questions, assistance in meeting their filing requirements electronically, and advice on how to reclaim unclaimed property, through development and implementation of a Taxpayer and Small Business Assistance Program that operates in conjunction with tax practitioners, local economic development corporations, and a variety of private sector organizations such as AARP and VITA (Volunteer Income Tax Assistance).

(See also, Goal 2, Objectives 2 and 3).

Objective 2. Under the guidance and direction of the department's "writing project", review and rewrite all department system-generated communications to citizens and businesses to ensure that communications reflect a proper combination of readability, respect for the citizen, effectiveness in achieving intended results, responsibility and accountability by the department, and other positive qualities of communications. Provide training to department employees on the proper use of these communications tools.

Objective 3. Provide accurate responses to inbound calls, minimize the need to transfer customer calls, and develop a system of measuring the accuracy, efficiency and effectiveness of our responses to taxpayer calls.

Objective 4. Provide a convenient, accessible and timely system for the business community to acquire and maintain the state registrations and licenses necessary to conduct business in the state by augmenting the current One-Stop Business Licensing System with the development of an online registration system for all business licenses, fees and permits.

Objective 5. Improve the operations and performance of the department's abandoned property program by examining the department's practices in processing abandoned stock certificates remitted to the state to ensure they

are kept as current as possible to allow for timely and efficient processing when claimed.

**Goal 2. Improve the operating environment of the department by continuously updating and implementing innovative and effective information technology solutions and processes designed to increase operating efficiencies and reduce energy consumption.**

Objective 1. Continuously monitor, augment and improve the capabilities and performance of the department's major data processing systems – the *IRIS/Gentax* and *PVAS/Orion* systems – through enhancements that expand information gathering and reporting, and cross-matching and other electronic tax compliance tools.

Objective 2. Improve workflow and increase operating efficiencies within the department, and optimize data security and confidentiality of taxpayer information, by incorporating the use of imaging technology within the department's major computing systems.

Objective 3. Provide taxpayers with the ability to file tax returns and other information for all taxes administered by the department electronically, except in those instances where the department's business case concludes that electronic filing is not cost effective, feasible or appropriate.

Objective 4. Improve staff productivity, reduce staff travel time, and reduce energy consumption by developing and implementing a wide variety of video conferencing, intelligent white board, and other effective and efficient remote communications technologies, including on-line collaboration tools.

**Goal 3. Through a coordinated effort involving department administrators, department staff, and staff of other state agencies, work to implement the underlying goals of the Governor's 20 X 10 energy conservation program.**

Objective 1. Educate and train all department staff to consider and focus on energy efficiency in all purchasing and workplace environment decisions.

Objective 2. Replace energy-inefficient lighting fixtures and appliances (refrigerators, air conditioners, window coverings, individual space heaters, etc.) with energy efficient devices and appliances.

Objective 3. Continuously replace existing, older vehicles used by the department with vehicles having superior gas mileage ratings.

Objective 4. Implement centralized technology enabling the updating and repairing of remote computers located in field offices, thereby reducing travel time and energy consumption.

(See also, Goal 2, Objective 4; and Goal 6, Objective 6.)

**Goal 4: Continue to enhance and augment the department's general compliance initiatives and activities in order to keep taxes fair and low for all Montanans.**

Objective 1. Continue to provide and make more effective compliance activities addressing state income and business taxes, particularly in those areas that have clearly demonstrated a need for additional compliance activity and/or a significant return on investment, including, but not limited to:

- Underreporting of income by sellers of Montana real property;
- Underreporting of income by partners and shareholders of pass-through entities operating in Montana;
- The proper allocation and reporting of income associated with taxpayers involved in abusive tax shelters;
- Underreporting of income or nonfiling by out-of-state companies doing business in Montana;
- The collection of delinquent taxes, including those owed by out-of-state residents and companies.

Objective 2. Make permanent the department's compliance efforts directed towards the proper collection of cigarette and other tobacco taxes, to ensure fairness in the collection of these taxes and provide an incentive for Montanans to reduce smoking.

Objective 3. Continue to develop, improve upon, and implement procedures and processes by which the Department can measure the extent of noncompliance in those areas where noncompliance is of particular concern, and periodically update and report on the extent to which the rate of noncompliance in these areas has been reduced.

Objective 4. Continue the on-going biennial process of evaluating forms and instructions, and other taxpayer services, through taxpayer satisfaction surveys and discussions with tax practitioners, in order to make the tax filing process as simple and understandable as possible, with the underlying goal of increasing voluntary compliance with Montana's tax laws.

Objective 5. Continue to advance and expand the exchange of information between state agencies, the IRS, tax preparation professionals, taxpayer and other groups in order to facilitate the discovery of nonfilers while maintaining

effective working relationships with taxpayers in compliance with the state's tax laws.

Objective 6. Support and participate in joint enforcement programs of the Multistate Tax Commission, the Federation of Tax Administrators, other states, the IRS, and the Department of Interior's Mineral Management Service.

**Goal 5: Continue to enhance and augment the department's abilities to effectively administer a program of real and personal property discovery and valuation, and provide the state, local governments, and taxpayers with timely and accurate property tax information to ensure fairness and efficiency in state and local government property taxation.**

Objective 1. Increase the operating efficiencies of the Property Assessment Division and reduce taxpayer appeals by purchasing and adapting to property tax applications cost effective, performance-driven information technology tools including hand held laptop computers for use by property appraisers in the field.

Objective 2. In order to increase the accuracy of property tax information, ensure fairness in property taxation, and further enhance the operating efficiencies of the Property Assessment Division, develop and implement innovative practices and approaches to obtaining property tax information, to include: a) implementing a residential property taxpayer self-reporting process, accompanied by an effective taxpayer education program, and b) enhancing and expanding GIS information systems.

Objective 3. Continue to gauge the accuracy of the 2009 reappraisal process by monitoring the extent to which residential property taxpayers appeal their new valuations, and the extent to which agricultural land owners appeal their agricultural land use type(s) (classification). In those cases where residential valuations or classification of ag land is appealed, monitor the instances in which the appeals are either withdrawn by the appellant, adjusted by a nominal amount by the department or the appeal board, or sustained in a final appeals decision.

Objective 4. By the date provided in statute, certify the taxable valuation of property subject to taxation for all taxing jurisdictions, including the certified values associated with "newly taxable property".

**Goal 6. Accomplish the statutory responsibilities in the administration of the Alcoholic Beverage Code with an emphasis on excellence in customer service, a high regard for public safety, and a focus on energy conservation.**

Objective 1. Provide educational outreach to Montana's liquor store owners, liquor licensees, and special events license holders to encourage and promote responsible sales of alcoholic beverages in the state.

Objective 2. Continue to work with other state agencies and public interest groups to cooperatively develop educational efforts to encourage responsible sales and service of alcoholic beverages, and promote the prevention of underage drinking and high-risk (or binge) drinking.

Objective 3. Develop and maintain quality-working relationships through proactive communication with the general public; Montana's schools; other state agencies; public interest groups (such as MADD, Healthy Mothers /Healthy Babies, Safe Kids/Safe Communities) and stakeholders (such as the Montana Tavern Association, and Montana Beer and Wine Distributors).

Objective 4. Provide for, and continuously improve upon, an efficient and effective system of alcoholic beverages licensing to ensure the highest level of service to Montana licensees.

Objective 5. Provide exemplary service to agency liquor stores, licensees and citizens by maintaining sufficient inventory to meet a monthly service level of at least 97% (MCA 16-2-101 (12)), and maintain at least a 99% accuracy rate for liquor cases ordered for the biennium.

Objective 6. Renovate and retrofit the state's liquor warehouse in a cost-effective manner to incorporate renewable energy sources and reduce future energy consumption commensurate with targets included in the governor's 20 X 10 energy efficiency program.

**Goal 7. Proactively manage the department's human resources programs to ensure a stable base of high-quality, highly-skilled and knowledgeable department staff across future biennia.**

Objective 1. Continue to provide effective outreach, recruitment and fair hiring practices to ensure a viable complement of future department staff that reflects the diversity of Montana's population and workforce.

Objective 2. Develop, encourage, and utilize a department-wide internship program to introduce candidates to the work of the department, and provide a base from which future employees may be hired.

Objective 3. Monitor and proactively address the need for succession planning, to include development of a department-wide knowledge transfer process, to ensure the continued viability and effectiveness of agency operations in coming years.

Objective 4. Purchase, or develop in-house, an electronic workforce management (performance appraisal) system that monitors the workflow of the agency, and provides feedback to employees and management, thereby fostering a more effective and efficient utilization of the department's human resources.

Objective 5. Increase staff productivity and knowledge, and reduce travel costs and energy consumption, by incorporating a distance learning program in the department's education and training curriculum.

**Goal 8: Implement new processes, policies, procedures and laws to maintain the effective and orderly administration of the department's legal services office.**

Objective 1. Upgrade the case management and tracking system in the Office of Legal Affairs to facilitate caseload management, focus accountability, and increase the reliability of the legal office calendaring system.

Objective 2. Develop legislation or procedures to reduce the disruption to local governments caused by large (centrally-assessed) property tax protests, and streamline or otherwise reform and rationalize the centrally-assessed property litigation process.

Objective 3. Following the close of each legislative session, review all agency rules and internal policies and procedures and modify as necessary to ensure they reflect new legislation.